

JUN 24 2003

Memorandum
by Council Liaison's Office

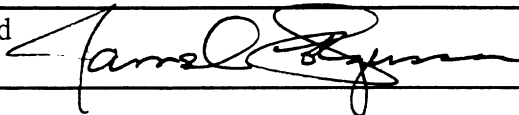
TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Leslye Corsiglia
Scott P. Johnson

SUBJECT: SEE BELOW

DATE: June 19, 2003

Approved



Date

6.23.03

COUNCIL DISTRICT: Citywide

INFORMATION

SUBJECT: REPORT ON ACTIVITIES UNDERTAKEN BY THE DIRECTOR OF HOUSING AND THE DIRECTOR OF FINANCE UNDER THE DIRECTORS' DELEGATION OF AUTHORITY FOR THE PERIOD JANUARY 1, 2003 TO MARCH 31, 2003

BACKGROUND

On September 4, 1990, the City Council adopted Ordinance No. 23589, which delegated to the Director of Housing certain specified authorities in the administration of the City's comprehensive affordable housing program (the "Delegation of Authority"), codified in Chapter 5.06 of the Municipal Code. On May 23, 2000, the Delegation of Authority was amended by Ordinance No. 26127 to clarify certain sections and add several other provisions. On June 25, 2002, the Delegation of Authority was further amended by Ordinance No. 26657 to add several provisions to the already delegated authority of the Directors of Housing and Finance. Additionally, the City Manager delegated to the Director of Housing the Contract Authority granted to the City Manager by Part 6 of Chapter 5.06 of the Municipal Code. These recent changes became effective 30 days later, or July 25, 2002.

This report has been prepared pursuant to the provisions of the Ordinance. The subject report covers activities under the newly approved Ordinance for the period of January 1, 2003 to March 31, 2003.

ANALYSIS

The Delegation of Authority Ordinance authorizes the Director of Housing: to develop and implement additional guidelines for housing programs; to adjust terms on housing loans and grants; to change the funding sources of a loan; to convert loans to grants; to loan or grant

Housing and Homeless funds, Predevelopment funds and Housing Rehabilitation Program funds; to negotiate and execute grant agreements necessary to implement Council-approved programs adopted in the Annual Action Plan of the Consolidated Plan; to provide management for, and/or dispose of, properties acquired through direct purchase, foreclosure or deed-in-lieu proceedings; to formalize the City Council's policies and procedures regarding housing loan defaults; to apply for federal or State funding; and to make other technical changes under the Director of Housing's Delegation of Authority. Ordinance No. 26657 further broadened the Director of Housing's authority to make adjustments, within defined parameters, to loans and grants previously approved by the City Council; to delegate jointly to the Director of Housing and Director of Finance authority related to the City's issuance of tax-exempt, private-activity bonds to finance the development of affordable housing projects; to delegate to the Director of Finance the authority to hold Tax Equity and Fiscal Responsibility Act (TEFRA) hearings on the City's proposed issuance of tax-exempt bonds to finance affordable housing projects and the authority to determine, within defined parameters, various terms and conditions of loans and grants previously approved by the City Council.

Under these parameters, the Director of Housing has taken the following actions during the period of January 1, 2003 to March 31, 2003:

Housing and Homeless Fund Grants

None this period.

Housing Rehabilitation and Improvement Loans and Grants:

<u>ACTIVITY</u>	<u>NUMBER</u>	<u>AMOUNT</u>
REHABILITATION LOANS	2	\$ 30,000
REHABILITATION GRANTS	43	\$1,466,720
PAINT GRANTS	137	\$ 380,080

Increases in Council-Approved Loan Amounts

The Oaks of Almaden (Formerly Cherryview Senior Apartments): On January 14, 2003, the \$8,000,000 tax-exempt bond allocation submitted to the California Debt Limit Allocation Committee (CDLAC), was increased by \$350,000 for a total of \$8,350,000. This allocation increase request did not affect the City's conditional grant and loans. The proposed project is a 126-unit senior rental development affordable to extremely low-income households.

Loans/Grants Terms and Conditions:

Homesafe-San Jose Apartments:

	Construction Phase	Permanent Phase
Loan Amount	\$3,750,000	\$2,250,000
Interest Rate	4% Simple	0% Simple
Loan Term	24 Months	55 Years
Repayment	City's Perm. Loan	Residual Receipts
Conditional Grant	\$750,000	\$750,000
Total Affordable Units	24 Units	24 Units
Conditions	24 ELI Units	24 ELI Units
Affordability Term	55 Years	55 Years

Tierra Encantada Apartments:

	Construction Phase	Permanent Phase
Loan Amount	\$3,600,000	\$3,600,000
Interest Rate	4% Simple	4% Simple
Loan Term	24 Months	40 Years
Repayment	City's Perm. Loan	Residual Receipts
Conditional Grant	\$1,000,000	\$1,000,000
Total Affordable Units	92 Units	92 Units
Conditions	10 ELI Units	10 ELI Units
Affordability Term	55 Years	55 Years

Capitol and Wilbur Single Family Residence Acquisition/Construction Loan:

	Construction Phase
Loan Amount	\$250,000
Interest Rate	2% Simple
Loan Term	12 Months
Repayment	First Mortgage when sold
Conditional Grant	\$0
Total Affordable Units	1 Unit
Conditions	1 Moderate-Income
Affordability Term	45 Years

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Roewill Drive Apartments:

Acquisition/Permanent Loan	
Loan Amount	\$382,500
Interest Rate	0%
Loan Term	40 Years
Repayment	Residual Receipts
Conditional Grant	None
Total Affordable Units	6 Units
Conditions	6 ELI Units
Affordability Term	55 Years

Tax Equity and Fiscal Responsibility Act (TEFRA) Hearings by the Director of Finance:

Turnleaf Apartments – Hearing held on January 7, 2003 - \$16,000,000 – Certificate No. 2003-1 Adopted.

Cinnabar Commons – Hearing held on January 7, 2003 - \$28,000,000 – Certificate No. 2003-2 Adopted.

Branham Lane Family Apartments – Hearing held on January 7, 2003 - \$24,000,000 – Certificate No. 2003-3 Adopted.

The Oaks of Almaden (Formerly Cherryview Senior Apartments) – Hearing held on January 7, 2003 - \$9,000,000 – Certificate No. 2003-4 Adopted

COORDINATION

This report has been coordinated with the City Attorney's Office.



SCOTT P. JOHNSON
Director of Finance



LESLEYE CORSIGLIA
Director of Housing